

# City of El Paso

## Fact Sheet – Publication of Financial Statements

### December 21, 2005

#### Background:

In accordance with Section 7.22 of the City Charter:

"Within 120 days after the close of each fiscal year, the City shall publish in a newspaper of general, daily circulation, a financial statement of the City prepared with generally accepted accounting principles for municipalities. This will be limited to balance sheets, statement of revenue and expenditures and changes in fund equities."

#### Financial Statements Summary:

Attached are the following summary statements to be published:

- Condensed Balance Sheet – **Governmental Funds**
- Condensed Schedule of Revenues, Expenditures and Changes in Fund Balance – **Governmental Funds**
- Condensed Schedule of Net Assets – **Proprietary Funds**
- Condensed Schedule of Revenues, Expenses and Changes in Fund Net Assets – **Proprietary Funds**
- Condensed Schedule of Fiduciary Net Assets – **Fiduciary Funds**
- Condensed Schedule of Changes in Fiduciary Net Assets – **Fiduciary Funds**

**Governmental funds** consist of the general fund, debt service, capital projects and grant funds. The general fund is the City's primary operating funds and accounts for all financial resources except those required to be accounted for in another fund. For 2005, the general fund had an overall *decrease* of \$11,267 but basically maintained its \$16 million unreserved fund balance in addition to the \$16 million cash reserve called for in the City's charter. This decrease was significantly less than the \$10 million projected use of fund balance budgeted in 2005. Overall, the City received approximately \$4.4 million more in revenues than budgeted and spent \$6.2 million less than expected.

In 2005, the debt service fund increased its fund balance by \$2,114,000 as a result of the proceeds received from the sale of capital assets, refunding bonds, and a transfer from the general fund. As a result, the debt service fund ended the year with a \$2,125,539 unrestricted fund balance. A portion of this fund balance was reprogrammed into the 2006 budget for the payment of long-term debt principal and interest.

The capital projects funds represent funds used for the completion of capital construction projects and equipment purchases outside of the scope of general operations. It is funded by the proceeds from the issuance of general obligation bonds and certificates of obligations as well as revenue bonds. This fund expended over \$82,468,000 in fiscal year 2005.

Special Revenue funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Given that the Community Development Block Grant Fund (CDBG) is significant relative to other special revenue funds, it is reported separately in the second column of the governmental funds statements. The City received over \$40,376,000 in grant revenues in 2005.

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**Proprietary funds** are used to account for the City's ongoing organizations and activities, which are similar to those found in the private sector and where cost recovery and the determination of net income is useful or necessary for sound fiscal management. The measurement focus is based upon determination of net income, changes in net assets, financial position and cash flows. The following funds comprise the City proprietary funds:

- El Paso International Airport
- International Bridges
- Department of Solid Waste Management
- Mass Transit

**Internal Service Funds** account for photocopying, postage and fleet management services provided to other departments of the government or to other governments on a cost reimbursement basis and for the risk management activities of the self-insured health, workers' compensation and unemployment compensation programs.

**Fiduciary Funds** are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations or other governmental units. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements since they do not represent assets of the City to support City programs. In 2005, these funds primarily included the City Employee's Pension Fund, the City Police and Fireman Pension Funds, and the Tax Office Agency funds.

### **Comprehensive Annual Financial Report:**

The final Comprehensive Annual Financial Report (CAFR) is scheduled to be completed and issued no later than February 28, 2006. The City's management does not anticipate any material changes from the published statements. As soon as the CAFR is completed, it will be made available in its entirety on the City's website for public viewing.

### **Cost of Ad:**

To publish this ad costs the Financial Services Department approximately \$8,600. This cost is line with the budget allocated for this item.

### **Questions regarding the statements:**

Questions can be directed to:

William Studer, Deputy City Manager for Administrative and Financial Services  
Carmen Arrieta-Candelaria, Chief Financial Officer  
Frank Keton, Financial Accounting and Reporting Manager

They can be reached at 915-541-4011.